Ombudsman system in Banks

2464. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) names of public sector banks which have introduced Ombudsman system to redress customers grievances therein;

(b) whether it is a fact that this system has not picked up in the banking sector as was expected;

(c) if so, the reasons therefor; and

(d) remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The Ombudsman Scheme as formulated by Reserve Bank of India is applicable inter-alia to all public sector banks. The Reserve Bank of India have so far appointed 11 Ombudsmen at centres which are located at Mumbai, Bhopal, New Delhi, Bangalore, Chandigarh Hyuderabad, Patna, Jaipur, Kanpur, Ghwahati and Bhubaneshwar.

(b) The Banking Ombudsman Scheme came into force from june 1995. The customers response to the Ombudsman Scheme is satisfactory.

(c) and (d) Do not arise in view of (b) above.

Computerisation of LIC branches in Delhi

2465. SHRI RAJ NATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that all branches of LIC in Delhi have been computerised;

(b) if not, by when this will be done;

(c) whether there is any proposal under Government's consideration to allow depositing of premium in any of the branches in Delhi in view of LIC network being computerised; and

(d) if so, by when the sme will be allowed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, sir.

(b) Does not arise.

(c) and (d) The LIC have reported that this facility is expected to be operationalised by 1997-98.

Interest rates of banks

2466. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the Times of India, of February, 14, 1997, captioned, "Disinterest Rates";

(b) whether interest rates of banks have been so dismally reduced that they have begun to turn away the depositors;

(c) whether common depositors with their small savings are at witsend and find themselves at barg with bank rates touching the lowest ebb; and

(d) if so, what steps are being taken to safeguard the interest of the small depositors and to encourage small deposits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) have reported that in the context of comfortable liquidity position, banks have in the recent period, reduced their dependence on high cost deposits such as certificates of deposits. However, interest rates on savings deposits with banks remain unchanged. As regards term deposits, the present ruling rates as compared with the previous rates show a general lowering of rates offered by banks. Between March 1996 and February 1997, the range of interest rates on domestic term deposits fixed by the public sector banks has declined from 10 to

13 per cent to 6 to 13 per cent. While the lowest rate offered was 10 per cent by all the 27 public sector banks in March 1996, presently a large number (17) are offering a rate of 7 per cent on shoftest maturities; others are offering rates ranging between 7.5 and 8.5 per cent. At the longer maturity of over 3 years, while all the 27 banks were offering 13 per cent during March 1996 to September 1996, the interest rates of two banks remained unchanged till February 1997 and fifteen banks reduced the rates by 0.5 percentage point. All the 27 banks are offering 12.0 per cent on deposits with maturity of 2 to 3 years. Thus, at the longer end of the maturity spectrum, the interest rates offered have not changed much.

The lower rates offered on deposits of shorter maturities in the recent period have not had any adverse impact on deposit mobilisation by banks during the current financial year so far.

(d) RBI have also reported that the Deposit Insurance Scheme is being operated by the Deposit Insurances and Credit Guarantee Corporation to protect the interest of small depositors against the loss of their deposits to the extent of Rs. 1 lakh.

Capital Punishment for Drugs/Narcotic trafficking

2467. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether illicit traffic in drugs and narcotics has been assuming an alarming proportion over the years;

(b) whether this social menace is to be combated urgently;

(c) whether Government have been suggested that those engaged in smuggling of smack in the country should be hanged; and

(d) if so, the details thereof with measures to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Drug trafficking is a clandestine activity and therefore it cannot be said definitely whether over the years, illicit trafficking in narcotic drugs has assumed alarming proportions. However as per information available, the details of Narcotic Drugs seized in the country during the last two years are give below:-

Name of drug	Quantity of 1995	Drugs in Kg. 1996 (Provisional)
Heroin	1678	1173
Hashish	3629	6414
Opium	1339	2735
Ganja	121873	60892
Methaqualone	20485	2210

(b) Yes, Sir. Government of India has already taken a number of necessary steps to deal with this social menace.

(c) No, Sir.

(d) Does not arise.

Steps to Check Black Marketing of Gold and Silver

2468. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that black marketing of gold and silver in the country can be checked by import of gold and silver; and

(b) if so, the details thereof with initiatives to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) The Government have allowed import of gold and silver through licit channels by NRIs and importers holding special Import Licence on payment of customs duty in foreign exchange. It is believed that with the availability of substantial quantity of gold and silver, the clandestine